

CONTRACT PERIOD THROUGH JULY 31, 2007

TO: All Departments
FROM: Department of Materials Management
SUBJECT: Contract for **VENDING MACHINE SERVICES**

Attached to this letter is published an effective purchasing contract for products and/or services to be supplied to Maricopa County activities as awarded by Maricopa County on **JULY 25, 2002**.

All purchases of products and/or services listed on the attached pages of this letter are to be obtained from the vendor holding the contract. Individuals are responsible to the vendor for purchases made outside of contracts. The contract period is indicated above.

Wes Baysinger, Director
Materials Management

SD/mm
Attach

Copy to: Clerk of the Board
Wes Baysinger, Materials Management
Steve Dahle, Materials Management
Sharon Tohtsoni, Materials Management

(Please remove Serial 92379-XSC from your contract notebooks)



CONTRACT FOR SERVICES

SERIAL 01198-S

This Contract is entered into this 1ST day of AUGUST 2002 by and between Maricopa County ("County") and a political subdivision of the State of Arizona, and ROYAL VENDING INC., an Arizona corporation ("Contractor") for the purchase of VENDING services.

1.0 TERM

- 1.1 This Contract is for a term of FIVE (5) years, beginning on the 1ST day of AUGUST 2002 and ending the 31ST day of JULY 2007.
- 1.2 The County may, at its option and with the agreement of the Contractor, extend the period of this Contract for additional one (1) year terms up to a maximum of FIVE (5) additional terms. The County shall notify the Contractor in writing of its intent to extend the Contract period at least thirty (30) calendar days prior to the expiration of the original contract period, or any additional term thereafter.

2.0 REVENUE

- 2.1 As consideration for performance of the duties described herein, Contractor shall Pay County the sum stated in Final Pricing, attached hereto and incorporated herein as Exhibit "A".

3.0 DUTIES

- 3.1 The Contractor shall perform supply vending services to the locations approved by the County and incorporated herein as Exhibit "B."
- 3.2 During the Contract term, County shall provide Contractor's with adequate space for equipment as may be required by Contractor to carry out its contractual obligations.

4.0 TERMS & CONDITIONS

4.1 INDEMNIFICATION AND INSURANCE:

4.1.1 Indemnification.

To the fullest extent permitted by law, Contractor shall defend, indemnify, and hold harmless the County, its agents, representatives, officers, directors, officials, and employees from and against all claims, damages, losses and expenses, including but not limited to attorney fees and costs, relating to this Contract.

The amount and type of insurance coverage requirements set forth herein will in no way be construed as limiting the scope of the indemnity in this paragraph.

The scope of this indemnification does not extend to the negligence of the County.

4.1.2 Insurance Requirements.

Contractor, at its own expense, shall purchase and maintain the herein stipulated minimum insurance with companies duly licensed, possessing a current A.M. Best, Inc. Rating of B++6, or approved unlicensed companies in the State of Arizona with policies and forms satisfactory to the County.

All insurance required herein shall be maintained in full force and effect until all work or service required to be performed under the terms of the Contract is satisfactorily completed and formally accepted. Failure to do so may, at the sole discretion of the County, constitute a material breach of this Contract.

The Contractor's insurance shall be primary insurance as respects the County, and any insurance or self-insurance maintained by the County shall not contribute to it.

Any failure to comply with the claim reporting provisions of the insurance policies or any breach of an insurance policy warranty shall not affect coverage afforded under the insurance policies to protect the County.

The Contractor shall be solely responsible for the deductible and/or self-insured retention and the County, at its option, may require the Contractor to secure payment of such deductibles or self-insured retentions by a surety bond or an irrevocable and unconditional letter of credit.

The County reserves the right to request and to receive, within ten (10) working days, certified copies of any or all of the herein required insurance policies and/or endorsements. The County shall not be obligated, however, to review such policies and/or endorsements or to advise Contractor of any deficiencies in such policies and endorsements, and such receipt shall not relieve Contractor from, or be deemed a waiver of the County's right to insist on strict fulfillment of Contractor's obligations under this Contract.

The insurance policies required by this Contract, except Workers' Compensation, shall name the County, its agents, representatives, officers, directors, officials and employees as Additional Insureds.

The insurance policies required hereunder, except Workers' Compensation, shall contain a waiver of transfer of rights of recovery (subrogation) against the County, its agents, representatives, officers, directors, officials and employees for any claims arising out of Contractor's work or service.

4.1.2.1 Commercial General Liability. Contractor shall maintain Commercial General Liability insurance with a limit of not less than \$1,000,000 for each occurrence with a \$2,000,000 Products/Completed Operations Aggregate and a \$2,000,000 General Aggregate Limit. The policy shall include coverage for bodily injury, broad form property damage, personal injury, products and completed operations and blanket contractual coverage including, but not limited to, the liability assumed under the indemnification provisions of this Contract which coverage will be at least as broad as Insurance Service Office, Inc. Policy Form CG 00 01 10 93 or any replacements thereof.

The policy shall contain a severability of interest provision, and shall not contain a sunset provision or commutation clause, or any provision which would serve to limit third party action over claims.

The Commercial General Liability additional insured endorsement shall be at least as broad as the Insurance Service Office, Inc.'s Additional Insured, Form CG 20 10 11 85, and shall include coverage for Contractor's operations and products and completed operations.

If the Contractor subcontracts any part of the work, services or operations awarded to the Contractor, Contractor shall purchase and maintain, at all times during prosecution of the work, services or operations under this Contract, an Owner's and Contractor's Protective Liability insurance policy for bodily injury and property damage, including death, which may arise in the performance of the Contractor's work, service or operations under this Contract. Coverage shall be on an occurrence basis with a limit not less than \$1,000,000 per occurrence, and the policy shall be issued by the same insurance company that issues the Contractor's Commercial General Liability insurance.

4.1.2.2 Automobile Liability. Contractor shall maintain Automobile Liability insurance with an individual single limit for bodily injury and property damage of no less than \$1,000,000, each occurrence, with respect to Contractor's vehicles (whether owned, hired, non-owned), assigned to or used in the performance of this Contract.

- 4.1.2.3 Workers' Compensation. The Contractor shall carry Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of Contractor's employees engaged in the performance of the work or services, as well as Employer's Liability insurance of not less than \$1,000,000 for each accident, \$1,000,000 disease for each employee, and \$1,000,000 disease policy limit.

If any work is subcontracted, the Contractor will require Subcontractor to provide Workers' Compensation and Employer's Liability insurance to at least the same extent as required of the Contractor.

4.1.3 Certificates of Insurance.

- 4.1.3.1 Prior to commencing work or services under this Contract, Contractor shall have insurance in effect as required by the Contract in the form provided by the County, issued by Contractor's insurer(s), as evidence that policies providing the required coverage, conditions and limits required by this Contract are in full force and effect. Such certificates shall be made available to the County upon 48 hours notice. **BY SIGNING THE AGREEMENT PAGE THE CONTRACTOR AGREES TO THIS REQUIREMENT AND FAILURE TO MEET THIS REQUIREMENT WILL RESULT IN CANCELLATION OF CONTRACT.**

If a policy does expire during the life of the Contract, a renewal certificate must be sent to the County fifteen (15) days prior to the expiration date.

4.1.4 Cancellation and Expiration Notice.

Insurance required herein shall not be permitted to expire, be canceled, or materially changed without thirty- (30) day's prior written notice to the County.

4.2 NOTICES:

All notices given pursuant to the terms of this Contract shall be addressed to:

For County:

Maricopa County
Department of Materials Management
Attn: Director of Purchasing
320 West Lincoln Street
Phoenix, Arizona

For Contractor:

Royal Vending Inc.
3838 north 36th Ave
Building C
Phoenix, AZ. 85019

4.3 REQUIREMENTS CONTRACT:

Contractor signifies its understanding and agreement by signing this document, that this Contract is a requirements contract. This Contract does not guarantee any services will be required. Orders will only be placed when County identifies a need and issues an approval order.

4.4 TERMINATION:

County may unconditionally terminate this Contract for convenience by providing thirty (30) calendar days advance notice to the Contractor.

County may terminate this Contract if Contractor fails to pay any charge when due or fails to perform or observe any other material term or condition of the Contract, and such failure continues for more than ten (10) days after receipt of written notice of such failure from County, or if Contractor becomes insolvent or generally fails to pay its debts as they mature.

4.5 STATUTORY RIGHT OF CANCELLATION FOR CONFLICT OF INTEREST:

Notice is given that pursuant to A.R.S. § 38-511 the County may cancel this Contract without penalty or further obligation within three years after execution of the contract, if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the County is at any time while the Contract or any extension of the Contract is in effect, an employee or agent of any other party to the Contract in any capacity or consultant to any other party of the Contract with respect to the subject matter of the Contract. Additionally, pursuant to A.R.S § 38-511 the County may recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the County from any other party to the contract arising as the result of the Contract.

4.6 OFFSET FOR DAMAGES;

In addition to all other remedies at law or equity, the County may offset from any money due to the Contractor any amounts Contractor owes to the County for damages resulting from breach or deficiencies in performance under this contract.

4.7 ADDITIONS/DELETIONS OF SERVICE:

The County reserves the right to add and/or delete products and/or services provided under this Contract. If a requirement is deleted, payment to the Contractor will be reduced proportionately to the amount of service reduced in accordance with the bid price. If additional services and/or products are required from this Contract, prices for such additions will be negotiated between the Contractor and the County.

4.8 SUBCONTRACTING:

The Contractor may not assign this Contract or subcontract to another party for performance of the terms and conditions hereof without the written consent of the County, which shall not be unreasonably withheld. All correspondence authorizing subcontracting must reference the Bid Serial Number and identify the job project.

4.9 AMENDMENTS:

All amendments to this Contract must be in writing and signed by both parties.

4.10 RETENTION OF RECORDS:

The Contractor agrees to retain all financial books, records, and other documents relevant to this Contract for five (5) years after final payment or until after the resolution of any audit questions which could be more than five (5) years, whichever is longer. The County, Federal or State auditors and any other persons duly authorized by the Department shall have full access to, and the right to examine, copy and make use of, any and all said materials.

If the Contractor's books, records and other documents relevant to this Contract are not sufficient to support and document that requested services were provided, the Contractor shall reimburse Maricopa County for the services not so adequately supported and documented.

4.11 AUDIT DISALLOWANCES:

If at any Time County determines that a cost for which payment has been made is a disallowed cost, such as overpayment, County shall notify the Contractor in writing of the disallowance. County shall also state the means of correction, which may be but shall not be limited to adjustment of any future claim submitted by the Contractor by the amount of the disallowance, or to require repayment of the disallowed amount by the Contractor.

4.12 VALIDITY:

The invalidity, in whole or in part, of any provision of the Contract shall not void or affect the validity of any other provision of this Contract.

4.13 RIGHTS IN DATA:

The County shall have the use of data and reports resulting from this Contract without additional cost or other restriction except as provided by law. Each party shall supply to the other party, upon request, any available information that is relevant to this Contract and to the performance hereunder.

4.14 INTEGRATION

This Contract represents the entire and integrated agreement between the parties and supersedes all prior negotiations, proposals, bids, communications, understandings, representations, or agreements, whether oral or written, express or implied.

IN WITNESS WHEREOF, this Contract is executed on the date set forth above.

CONTRACTOR

AUTHORIZED SIGNATURE

PRINTED NAME AND TITLE

ADDRESS

DATE

MARICOPA COUNTY

BY: _____
DIRECTOR, MATERIALS MANAGEMENT

DATE

BY: _____
CHAIRMAN, BOARD OF SUPERVISORS

DATE

ATTESTED:

CLERK OF THE BOARD

DATE

APPROVED AS TO FORM:

MARICOPA COUNTY ATTORNEY

DATE

ROYAL VENDING, 3838 N 36TH AVENUE BLDG C, PHOENIX, AZ 85019

PRICING SHEET S059603/B0700019

BIDDER NAME: ROYAL VENDING INC.
 F.I.D./VENDOR #: 86-0606482 / 860606482
 BIDDER ADDRESS: 3838 NORTH 36TH AVENUE BUILDING C
 P.O. ADDRESS:
 BIDDER PHONE #: 602-269-5716
 BIDDER FAX #: 602-269-5917
 COMPANY WEB SITE:
 COMPANY CONTACT (REP): DON SKIBA
 E-MAIL ADDRESS (REP): SKIB4S@AOL.COM

WILLING TO ACCEPT FUTURE SOLICITATIONS VIA EMAIL: X YES ____ NO

PLEASE INDICATE HOW YOU HEARD ABOUT THIS SOLICITATION:

____ NEWSPAPER ADVERTISEMENT
 ____ MARICOPA COUNTY WEB SITE
X PRE-SOLICITATION NOTICE
 ____ OTHER (PLEASE SPECIFY)

1.0 REVENUE

1.1 Percent of gross revenues to be paid to the County

VENDPRICE
 \$.50 TO \$.75

1.1.1	Static Population of 1-25	10%
1.1.2	Population of 25-50	10%
1.1.3	Population of 50-100	10%
1.1.4	Population of 100-200	15%
1.1.5	Population of 200+	20%

1.2 Placement fee 0 per/Machine

1.3 List average age of your equipment 3-5 yrs. (include a list of models and brands of equipment you would use at County sites).

Terms: NET 30

Federal Tax ID Number 86-0606482

Vendor Number: 860606482

Telephone Number: 602/269-5716

Fax Number: 602/269-5917

E-Mail Address: skib45@aol.com

Contact Person Don Skiba

Insurance Certificate: Required

Contract Period: To cover the period ending **July 31, 2007.**

ROYAL VENDING, 3838 N 36TH AVENUE BLDG C, PHOENIX, AZ 85019

**EXHIBIT 1
CURRENT LOCATIONS AND EQUIPMENT**

VENDING MACHINE LOCATIONS			
	LOCATION	ADDRESS	EQUIPMENT
1.	BELL ROAD JAIL	13063 WEST BELL ROAD	1 SODA AND 1 SNACK
2.	EL MIRAGE FACILITY	12428 WEST THUNDERBIRD RD.	2 SODA AND 1 SNACK
3.	ADULT PROBATION	6655 WEST GLENDALE AVE.	2 SODA AND SNACK
4.	EMERGENCY MANAGEMENT	2035 NORTH 52 STREET	1 SODA
5.	MARYVALE FHC	4011 WEST 51ST AVE.	1 SODA AND 1 SNACK
6.	MCSO AVONDALE	950 EST VAN BUREN	1 SODA
7.	MATERIALS MANAGEMENT	320 WEST LINCOLN STREET	1 SODA
8.	NORTHWEST PUBLIC SERVICE FACILITY	BELL ROAD AND DYSART ROAD	1 SODA
9.	STAR CALL CENTER	2544 EAST UNIVERSITY AVE.	1 SODA
10.	PUBLIC HEALTH DEPARTMENT	1825 EAST ROOSEVELT ROAD	2 SODA AND 2 SNACK
11.	TOLLESON JUSTICE COURT	9550 WEST VAN BUREN	1 SODA AND 1 SNACK
12.	SOUTH PHOENIX FHC	33 WEST TAMMARISK AVE	1 SODA AND 1 SNACK